REGISTRAR'S COPY

COMPANY NUMBER 2766181

Sevan Caterers (CP) Limited

Report and Financial Statements

Year Ended

30 June 2002



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SEVAN CATERERS (CP) LIMITED

Annual report and financial statements for the year ended 30 June 2002

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Directors

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Directors

H H Semavi
R Halil

Secretary and registered office

R Halil, 1 Nine Elms Lane, Vauxhall, London, SW8 5NQ

Company number

2766181

Auditors

BDO Stoy Hayward, Emerald House, East Street, Epsom, Surrey KT17 1HS

SEVAN CATERERS (CP) LIMITED

Report of the directors for the year ended 30 June 2002

The directors present their report together with the company's audited financial statements for the year ended 30 June 2002.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a dividend for the year under review.

Principal activities, trading review and future developments

The principal activity of the company during the year under review was that of the provision of catering services.

The directors are satisfied with the result for the year and hope that the company will return to profitability in the future.

Directors

The directors of the company during the year were H H Semavi and R Halil.

No director had any interest in the ordinary shares of the company during the year.

H H Semavi and R Halil are also directors of Sevan Leisure Holdings PLC, the parent company, and their interests in the share capital of that company are shown in its own financial statements.

No director was granted or has exercised any right to subscribe to shares in or debentures of the company or any body corporate in the same group during the year.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

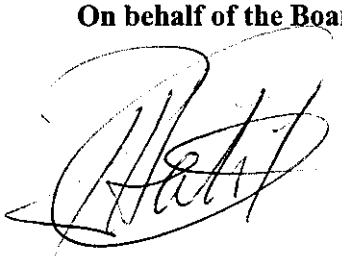
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



R Halil

Director

28 January 2003.

Report of the independent auditors

To the shareholders of Sevan Caterers (CP) Limited

We have audited the financial statements of Sevan Caterers (CP) Limited for the year ended 30 June 2002 on pages 5 to 14 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the financial statements regarding the uncertainty over the company's ability to continue trading. In view of the significance of this matter, we consider that it should be brought to your attention, but our opinion is not qualified in this respect.

Report of the independent auditors *(Continued)*

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Epsom, Surrey

28 January 2003

SEVAN CATERERS (CP) LIMITED

Profit and loss account for the year ended 30 June 2002

	Note	2002 £	2001 £
Turnover	3	**654,181**	857,760
Cost of sales		**176,306**	236,919
Gross profit		**477,875**	620,841
Administrative expenses			
Exceptional charge	4	**270,176**	-
Other		**522,145**	584,313
Operating (loss)/profit	7	**(314,446)**	36,528
Loss on disposal of fixed assets		**(84,431)**	(573)
Interest payable and similar charges	8	**(6,139)**	(16,007)
(Loss)/profit on ordinary activities before and after taxation	17	**(405,016)**	19,948

All amounts relate to continuing activities.

All recognised gains and losses, together with movements in shareholders' funds, are included in the profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

SEVAN CATERERS (CP) LIMITED

Balance sheet at 30 June 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	10		**53,238**		130,430
Investments	11		**198**		198
			53,436		130,628
Current assets					
Stocks	12	**8,007**		14,743	
Debtors	13	**17,677**		391,335	
Cash at bank and in hand		**3,351**		4,834	
		29,035		410,912	
Creditors: amounts falling due within one year	14	**332,900**		382,007	
Net current liabilities/(assets)			**(303,865)**		28,905
Total assets less current (liabilities)/assets			**(250,429)**		159,533
Creditors: amounts falling due after more than one year	15		**1,700**		6,646
Net (liabilities)/assets			**(252,129)**		152,887
Capital and reserves					
Called up share capital	16		**100**		100
Profit and loss account	17		**(252,229)**		152,787
Equity shareholders' (deficit)/funds			**(252,129)**		152,887

The financial statements were approved by the Board on 28 January 2003

R Halil
Director

The notes on pages 7 to 14 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied consistently during the year:

Group accounts

Sevan Caterers (CP) Limited is exempt from preparing group accounts since its parent company prepares consolidated financial statements. Accordingly these financial statements represent a true and fair view of Sevan Caterers (CP) Limited only and not that of the group of which it is a parent.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax and trade discounts.

Depreciation

Depreciation is provided to write off the cost, less estimated residual value, of all fixed assets evenly over their expected useful lives. It is calculated at the following annual rates:

Leasehold improvements	-	straight line over the remaining term of the lease
Plant and machinery	-	15% reducing balance
Fixtures, fittings and equipment	-	15% reducing balance

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

This represents a change in accounting policy on the introduction of FRS19. Previously, deferred tax was only provided for where it was probably that a liability to tax or an asset would crystallise. The change in policy has had no material effect on the profit and loss account or balance sheet for either 2002 or 2001.

1 Accounting policies *(Continued)*

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. These assets are included in the balance sheet and are depreciated accordingly. The capital element of the corresponding financing commitments is included in the balance sheet. The finance element of instalments is charged to the profit and loss account equally over the term of the lease. All other leases are operating leases and their rentals are charged to the profit and loss account as incurred.

2 Going concern

The financial statements have been prepared on the going cocern basis. The assumption depends on:

- The continued support of the group and company's bankers; and
- The company's ability to generate profits;

Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount and to provide for any further liabilities that may arise.

3 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

4 Exceptional item

The company has provided for balances owed by other group companies which is unlikely to be recovered.

5 Employees

	2002 £	2001 £
Staff costs consist of:		
Wages and salaries	**811,111**	225,653
Social security costs	**8,829**	21,372
	189,940	247,025

5 **Employees** *(Continued)*	2002 £	2001 £
Average monthly staff numbers, including directors:	**Number**	**Number**
Directors	**2**	2
Staff	**24**	42
Total	**26**	44

6 Directors' remuneration

No director had remuneration or pension contributions paid by the company during either the current or the previous year.

7 **Operating profit**	2002 £	2001 £
This has been arrived at after charging:		
Depreciation of tangible assets	**20,100**	31,038
Hire of equipment - operating leases	**5,431**	5,327
Rent of land and buildings - operating leases	**85,000**	85,000

Auditors' remuneration has been paid by the parent undertaking.

8 **Interest payable and similar charges**	2002 £	2001 £
Bank overdraft	**5,660**	10,897
Hire purchase interest	**479**	5,110
	6,139	16,007

9 Taxation

No provision for corporation tax is required due to the availability of current year losses.

10 Tangible assets

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 July 2001	40,252	192,519	31,060	263,831
Additions	30,754	16,789	9,795	57,338
Disposals	(40,252)	(192,519)	(31,060)	(263,831)
At 30 June 2002	**30,754**	**16,789**	**9,795**	**57,338**
Depreciation				
At 1 July 2001	32,720	87,885	12,796	133,401
Provided for the year	2,000	17,300	800	20,100
Disposals	(32,720)	(103,885)	(12,796)	(149,401)
At 30 June 2002	**2,000**	**1,300**	**800**	**4,100**
Net book value				
At 30 June 2002	**28,754**	**15,489**	**8,995**	**53,238**
At 30 June 2001	7,532	104,634	18,264	130,430

The net book value of tangible fixed assets includes an amount of £nil (2001: £84,467) in respect of assets held under finance leases.

The related depreciation charge for the year on those assets was £nil (2001: £18,101).

11 Investments

	Shares in subsidiary undertakings £
Cost	
At 1 July 2001 and 30 June 2002	**198**

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not materially less than the amount included in the balance sheet.

Details of the company's unlisted subsidiary undertakings are as follows:

	Keyabbey Limited	Sunrose Leisure Limited
Country of registration	England and Wales	England and Wales
Nature of business	Property investment	Catering services
Classes of shares held	£1 ord	£1 ord
Proportion of nominal value	98%	100%
Result for the year after taxation	-	-
Aggregate capital and reserves	-	(25,298)

12 Stocks

	2002 £	2001 £
Raw materials and consumables	8,007	14,743

13 Debtors

	2002 £	2001 £
Trade debtors	-	12,013
Amounts owed by group undertakings	**4,000**	340,272
Other debtors	-	2,345
Prepayments and accrued income	**13,677**	36,705
	17,677	391,335

14 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loan and overdraft	**274,218**	225,097
Trade creditors	**35,165**	97,211
Taxation and social security	**8,490**	35,332
Obligations under finance leases and hire purchase contracts	**4,907**	8,343
Accruals and deferred income	**6,875**	9,149
Other creditors	**3,245**	6,875
	332,900	382,007

The company's obligations under its principal bank overdraft facilities are secured by way of cross guarantees and debentures between the company and other group undertakings. The security includes a fixed charge over the company's assets.

At the year end the net liabilities of the group under these cross guarantees amounted to £3,769,000 (2001: £2,881,400).

15 Creditors: amounts falling due after more than one year	2002 £	2001 £
Obligations under finance leases and hire purchase contracts:	**1,700**	6,646

Financial liabilities are due:

	Bank loans and overdrafts		Finance leases and Hire Purchase contracts		Total	
	2002 £	2001 £	2002 £	2001 £	2002 £	2001 £
Within one year	**274,218**	225,097	**4,907**	8,343	**279,125**	233,440
Within one to two years	**-**	-	**1,700**	4,946	**1,700**	4,946
Within two to five years	**-**	-	**-**	1,700	**-**	1,700
	274,218	225,097	**6,607**	14,989	**280,825**	240,086

16 Share capital

	Authorised		Allotted, called up and fully paid	
	2002 £	2001 £	2002 £	2001 £
Ordinary shares of £1 each	**100**	100	**100**	100

17 Profit and loss account

	2002 £
At 1 July 2001	152,787
Loss for the year	(405,016)
At 30 June 2002	**(252,229)**

18 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Sevan Leisure Holdings PLC.

19 Commitments under operating leases

	Land and buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Annual repayments on leases which expire				
Within 1 - 2 years	-	-	**2,593**	2,593
Within 2 - 5 years	**48,000**	85,000	**880**	880
	48,000	85,000	**3,473**	3,473

20 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of the ultimate parent company.

21 Deferred taxation

No provision for deferred taxation is required under the terms of the company's accounting policy set out at note 1 to the financial statements.

22 Parent undertaking

At 30 June 2002 the company's ultimate parent undertaking was Sevan Leisure Holdings PLC, a company incorporated in England and Wales, which is the parent of both the smallest and largest groups of which the company is a member. There is no overall controlling party of Sevan Leisure Holdings PLC.

23 Contingent liability

The company's obligations under its principal bank overdraft facilities are secured by way of cross guarantees and debentures between the company and other group undertakings. The security includes a fixed charge over the company's assets.

At the year end the net liabilities of the group under these cross guarantees amounted to £3,769,000 (2001: £2,881,400).